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7 **UNITED STATES DISTRICT COURT**
8 **CENTRAL DISTRICT OF CALIFORNIA**

9 DAVID HOUGH; MOULOUD HOCINE;
10 JENNIFER LEHMKUHL HILL; AMUND
11 THOMPSON; PAUL PANICO,

12 Plaintiffs,

13 v.

14 RYAN CARROLL; MAX K. DAY;
15 MAX O. DAY; MICHAEL DAY;
16 YAX ECOMMERCE LLC; PRECISION
17 TRADING GROUP, LLC; WA
18 DISTRIBUTION LLC; PROVIDENCE
19 OAK PROPERTIES, LLC; WA
20 AMAZON SELLER LLC; MKD
21 INVESTMENT ADVISOR, LLC; MKD
22 FAMILY BENEFICIARY, LLC; MKD
23 FAMILY PRIVATE MANAGEMENT
24 COMPANY, LLC; MAX DAY
25 CONSULTING, LLC;
26 HOUTEX FARM EQUITY PARTNERS
27 LLC; BUSINESS FINANCIAL
28 SOLUTIONS ADVISORY LLC;
EVO MAXX LLC; YAX IP AND
MANAGEMENT INC. (D.B.A.
“FULFILLABLE”); WWKB LLC;
DREAMS TO REALITY LLC,

Defendants.

Case No.: 2:24-cv-02886-WLH-SKx

**ORDER RE PLAINTIFFS’ *EX*
PARTE MOTION FOR A
TEMPORARY RESTRAINING
ORDER AND ORDER TO SHOW
CAUSE RE: PRELIMINARY
INJUNCTION [9]**

1 Plaintiffs David Hough, Mouloud Hocine, Jennifer Lemkuhl Hill, Amund
2 Thompson, and Paul Panico (collectively, “Plaintiffs”) separately purchased business
3 opportunities from Defendant Yax Ecommerce LLC (“Yax Ecommerce”), formerly
4 known as “Wealth Assistants,” in 2022 and 2023. (Compl., Docket No. 1 ¶¶ 58–78).
5 Plaintiffs now believe they were scammed. On April 9, 2024, Plaintiffs brought this
6 action against Yax Ecommerce as well as Defendants Ryan Carroll; Max K. Day; Max
7 O. Day; Michael Day; Precision Trading Group, LLC; WA Distribution LLC;
8 Providence Oak Properties, LLC; WA Amazon Seller LLC; MKD Investment Advisor,
9 LLC; MKD Family Beneficiary, LLC; MKD Family Private Management Company,
10 LLC; Max Day Consulting, LLC; Houtex Farm Equity Partners, LLC; Business
11 Financial Solutions Advisory LLC; Evo Maxx LLC; Yax IP and Management Inc.
12 (D.B.A. “Fulfillable”); WWKB LLC; and Dreams to Reality LLC (collectively with
13 Yax Ecommerce LLC, “Defendants”).¹ (*Id.*). The same day, Plaintiffs filed the instant
14 *Ex Parte* Motion for Temporary Restraining Order and Order to Show Cause re:
15 Preliminary Injunction (the “Motion”). (Docket No. 9). Plaintiffs request the Court to
16 (1) temporarily order Defendants not to transfer, liquidate, or otherwise dispose of any
17 assets owned by or held for the benefit of Defendants, except what is necessary for
18 personal living expenses, which expenditures may not exceed \$9,000 per month
19 without leave of the Court; (2) order Defendants to provide a list of their financial
20 accounts within five days of receiving the order; and (3) order Defendants to show
21 cause, if they have any, why a preliminary injunction should not issue. (*Id.*).

22 The Court has considered Defendants’ Opposition to the Motion, filed April 11,
23 2024 (Docket No. 13), and Plaintiffs’ Reply in Support of the Motion, filed April 12,
24 2024 (Docket No. 15). For the purposes of this Order only, the Court finds from the
25 evidence available to it that it has personal jurisdiction over some, but not all, of the
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27 ¹ Defendants Ryan Carroll, Max K. Day, Max O. Day, and Michael Day are collectively referred to
28 as the “Individual Defendants.” The other defendants are collectively referred to as the “Entity
Defendants.”

1 Defendants. As to the Defendants over which the Court finds it does have personal
2 jurisdiction, the factors for a temporary restraining order weigh in Plaintiffs' favor, and
3 the Court **GRANTS** the Motion.

4 **I. BACKGROUND**

5 Plaintiffs are all California residents who purchased business opportunities from
6 Wealth Assistants. (Compl. ¶¶ 15–19)². Wealth Assistants³ is owned by Individual
7 Defendants Ryan Carroll, Max K. Day, and Michael Day. (*Id.* ¶ 24). Wealth Assistants
8 promised potential customers that for an initial investment of up to \$125,000, Wealth
9 Assistants would set up and manage Amazon stores that would eventually make profits
10 of approximately \$10,000 per month, which Wealth Assistants would split with the
11 customer. (*Id.* ¶¶ 5–6). Customers' contracts with Wealth Assistants contained a
12 buyback clause stating that if the customer did not earn back their initial investment
13 within a set period, Wealth Assistants would buy the customer's Amazon store in the
14 amount the customer invested, minus profits. (*See, e.g.*, Mot., Exh. K, Decl. of Philip
15 Stoops ("Stoops Decl."), Docket No. 9-11 at 240).

16 Plaintiffs allege that Wealth Assistants failed to deliver on these promises. For
17 some customers, Wealth Assistants failed to ever set up an Amazon store. (Compl.
18 ¶ 9). For others, Wealth Assistants did set up a store, but never stocked it—even if the
19 customer had made payments to Wealth Assistants for inventory. (*Id.*). Plaintiffs assert
20 that many customers never received any profit Wealth Assistants, and the "vast
21 majority" received less than \$10,000 in profits. (*Id.* ¶ 10).

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24 ² To the extent the Court recites facts from Plaintiffs' Complaint, the Court has deduced that they
25 are not disputed. Moreover, citations to Plaintiffs' declarations do not indicate a finding regarding
26 the truthfulness of the declarations. Nevertheless, and contrary to Defendants' assertions, "[d]istrict
27 courts have discretion to consider otherwise inadmissible evidence in ruling on an application for
28 temporary restraining order or preliminary injunction." *Glow Indus., Inc. v. Lopez*, 252 F. Supp. 2d
962, 966 (C.D. Cal. 2002).

³ Wealth Assistants changed its name to Yax Ecommerce LLC in July of 2023. (Declaration of
Nico Banks in Support of Mot. ("Banks Decl."), Docket No. 1, Exh. A:3 at 53).

1 Plaintiffs' evidence shows that each of the Individual Defendants made
2 intentional misrepresentations in connection with Wealth Assistants' services. (Mot.
3 at 11–15; Exhs. B–M). Plaintiffs' evidence also shows that Entity Defendants Yax
4 Ecommerce LLC, WA Distribution LLC, and Precision Trading Group, LLC accepted
5 payments from Plaintiffs. (*Id.* at 18; Exhs. F, K). Plaintiffs allege that the other Entity
6 Defendants were involved in the conspiracy to defraud Plaintiffs because they are,
7 allegedly, alter egos of the Individual Defendants; but Plaintiffs do not provide
8 evidence showing any actions by those Defendants in furtherance of the alleged
9 conspiracy. (*Id.* at 13–15). Finally, Plaintiffs' evidence shows that Defendants Max
10 K. Day, Max O. Day, and Michael Day have a history of attempting to hide fraudulently
11 obtained assets from their creditors. (*Id.* at 16–17; Exhs. A ¶ 19–21, I ¶ 4).

12 **II. DISCUSSION**

13 To obtain a temporary restraining order, “a plaintiff ‘must establish [1] that he
14 is likely to succeed on the merits, [2] that he is likely to suffer irreparable harm in the
15 absence of preliminary relief, [3] that the balance of equities tips in his favor, and
16 [4] that an injunction is in the public interest.’” *Frailhat v. U.S. Immigr. & Customs*
17 *Enf’t*, 16 F.4th 613, 635 (9th Cir. 2021) (quoting *City & Cnty. of San Francisco v.*
18 *United States Citizenship & Immigr. Servs.*, 944 F.3d 773, 788–89 (9th Cir. 2019)).
19 “Likelihood of success on the merits is the most important factor.” *Id.* (quoting
20 *California v. Azar*, 911 F.3d 558, 575 (9th Cir. 2018)).

21 **FINDINGS OF FACT**

22 The Court makes the following findings for the purpose of this Order only:

23 A. Defendants received adequate notice of Plaintiffs' *ex parte* motion for a
24 temporary restraining order and order to show cause regarding a preliminary
25 injunction.

26 B. The Court has personal jurisdiction over Individual Defendants Ryan
27 Carroll; Max K. Day; Max O. Day; and Michael Day, and over Entity
28 Defendants Yax Ecommerce LLC (formerly known as Wealth Assistants);

1 WA Distribution LLC; and Precision Trading Group, LLC (collectively, the
2 “Jurisdictional Defendants”) because they have purposefully directed their
3 activities at residents of the forum state. *See Dole Food Co. v. Watts*, 303
4 F.3d 1104, 1112 (9th Cir. 2002) (finding purposeful availment where
5 defendants intentionally made misrepresentations aimed at California).

6 C. Based on the evidence available to it, the Court may not exercise personal
7 jurisdiction over the remaining Entity Defendants at this time. *See In re*
8 *Auto. Antitrust Cases I & II*, 135 Cal. App. 4th 100, 118 (2005) (finding no
9 personal jurisdiction over nonresident parent companies alleged to have
10 conspired with resident defendants, where plaintiffs were “unable to show
11 any evidence of an act furthering the alleged conspiracy committed by any
12 of [the] parent manufacturers”).

13 D. As to the Jurisdictional Defendants, Plaintiffs’ declarations, Plaintiffs’
14 attorney’s declaration, and declarations by other individuals who are former
15 clients of Wealth Assistants have demonstrated a likelihood of success on
16 the merits.

17 E. There is good cause to believe that immediate and irreparable harm to the
18 Court’s ability to grant effective final relief for Plaintiffs will occur from
19 the dispersion by Defendants of their assets unless Defendants are
20 immediately enjoined by order of this Court from disposing of their assets
21 and ordered to produce to Plaintiffs information sufficient to identify their
22 assets. *See Johnson v. Couturier*, 572 F.3d 1067, 1085 (9th Cir. 2009)
23 (affirming district court order freezing assets where defendant had history of
24 fraudulent transfers).

25 F. The balance of equities tip in Plaintiffs’ favor. *Cf. Jacobo v. Doe*, No. 1:22-
26 cv-00672, 2022 WL 2052637, at *6 (E.D. Cal. June 7, 2022) (“A delay in
27 defendant’s ability to transfer the assets only minimally prejudices
28 defendant, whereas withholding injunctive relief would severely prejudice

1 plaintiff by providing defendant time to transfer the allegedly purloined
2 assets into other accounts beyond the reach of this court.”).

3 G. Granting a temporary restraining order is in the public interest. *Id.*
4 (quotation omitted) (“the public interest is properly served by ... providing
5 assurance to the public that courts will take action to promote protection of
6 assets and recovery of stolen assets”).

7 H. There is no reason to believe that Defendants will sustain any costs or
8 damages by reason of being wrongfully enjoined or restrained. Accordingly,
9 Plaintiffs are not required to post any security by reason of Federal Rule of
10 Civil Procedure 65(c).

11 **IT IS THEREFORE ORDERED** that Jurisdictional Defendants Ryan Carroll;
12 Max O. Day; Max K. Day; Michael Day; Yax Ecommerce LLC; WA Distribution
13 LLC; and Precision Trading Group, LLC are each ordered to appear before this
14 court on Friday, April, 19, 2024, at 11:00 a.m., in Courtroom 9B of at this Court
15 located at 350 W. First Street, Los Angeles, CA 90012.⁴ Jurisdictional
16 Defendants are ordered to show cause, if they have any, why each of them should
17 not be preliminarily enjoined from withdrawing, transferring, spending, or
18 otherwise disposing of any assets held by or for the benefit of Jurisdictional
19 Defendants until the close of this proceeding, except that each human Defendant
20 would be allowed to spend what is necessary for ordinary personal or household
21 expenditures, which expenditures would not be allowed to exceed \$9,000 per
22 month without leave of the Court.

23 **IT IS FURTHER ORDERED** that Jurisdictional Defendants are hereby
24 temporarily restrained from withdrawing, transferring, spending, or otherwise
25 disposing of any assets held by or for the benefit of Jurisdictional Defendants
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28 ⁴ A party needing a continuance of the hearing may request one from the Court, so long as the continued hearing occurs no later than the expiration date of this Order.

1 without leave of the Court, except that each human Defendant may spend what is
2 necessary for ordinary personal or household expenditures, which expenditures
3 may not exceed \$9,000 per month without leave of the Court. Furthermore,
4 Jurisdictional Defendants are ordered to produce to Plaintiffs, within five days
5 following the service of this Order: (1) identifying information for all accounts
6 that contain assets held by or for the benefit of Jurisdictional Defendants,
7 including the name of the financial institution, the account number, and the name
8 of the account holder; and (2) for each identified account, the value of the assets
9 held in the account.

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11 This temporary restraining order expires on April 29, 2024.

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13 **IT IS SO ORDERED.**

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15 Date: April 15, 2024

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17 HON. WESLEY L. HSU
18 UNITED STATES DISTRICT JUDGE
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